

Senate File 2026 - Introduced

SENATE FILE 2026

BY TAYLOR

A BILL FOR

1 An Act providing a property assessment adjustment for certain
2 property of persons who have attained the age of sixty-five,
3 applying income limitations, providing a penalty, and
4 including retroactive and other applicability provisions.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. **425B.1 Homestead assessed value**
2 **adjustment — purpose.**

3 Persons who own their homesteads and who meet the
4 qualifications provided in this chapter are eligible for
5 an adjustment in the assessed value of their homesteads or
6 an adjustment of the amount of taxes levied against their
7 homestead, as provided in this chapter, to prevent an increase
8 in such values or an increase in the amount of taxes levied.

9 Sec. 2. NEW SECTION. **425B.2 Definitions.**

10 As used in this chapter, unless the context otherwise
11 requires:

12 1. "*Assessed value*" means the actual value prior to any
13 adjustment pursuant to section 441.21, subsection 4.

14 2. "*Base assessment year*" means the assessment year
15 beginning in the base year.

16 3. "*Base year*" means the calendar year last ending before
17 the claim is filed.

18 4. "*Claimant*" means a person filing a claim for adjustment
19 under this chapter who has attained the age of sixty-five years
20 on or before December 31 of the base year and is domiciled in
21 this state at the time the claim is filed or at the time of the
22 person's death in the case of a claim filed by the executor or
23 administrator of the claimant's estate.

24 5. "*Earned income*" means the same as defined in section 32
25 of the Internal Revenue Code.

26 6. "*Homestead*" means the dwelling owned and actually used
27 as a home by the claimant during at least six months of the
28 base year and so much of the land surrounding it, including one
29 or more contiguous lots or tracts of land, as is reasonably
30 necessary for use of the dwelling as a home, and may consist
31 of a part of a multidwelling or multipurpose building and a
32 part of the land upon which it is built. It does not include
33 personal property except that a manufactured or mobile home
34 may be a homestead. Any dwelling or a part of a multidwelling
35 or multipurpose building which is exempt from taxation does

1 not qualify as a homestead under this chapter. A homestead
2 must be located in this state. When a person is confined in a
3 nursing home, extended-care facility, or hospital, the person
4 shall be considered as occupying or living in the person's
5 homestead if the person is the owner of the homestead and the
6 person maintains the homestead and does not lease, rent, or
7 otherwise receive profits from other persons for the use of the
8 homestead.

9 7. "*Owned*" means owned by an owner as defined in section
10 425.11.

11 Sec. 3. NEW SECTION. 425B.3 Right to file a claim.

12 The right to file a claim for an assessed value adjustment
13 under this chapter may be exercised by the claimant or on
14 behalf of a claimant by the claimant's legal guardian, spouse,
15 or attorney, or by the executor or administrator of the
16 claimant's estate. If a claimant dies after having filed a
17 claim for adjustment, the amount of any adjustment shall be
18 made as if the claimant had not died.

19 Sec. 4. NEW SECTION. 425B.4 Claim for adjustment.

20 1. Subject to the limitations provided in this chapter,
21 a claimant may annually claim an adjustment of the assessed
22 value of the claimant's homestead for the base assessment year.
23 The adjustment claim shall be filed with the county assessor
24 between January 1 and February 15 immediately following
25 the close of the base assessment year. However, in case of
26 sickness, absence, or other disability of the claimant, or
27 if in the judgment of the county assessor good cause exists,
28 the county assessor may extend the time for filing a claim for
29 adjustment through June 30 of the same calendar year.

30 2. The county assessor shall notify the department of
31 revenue by March 1 of the number of claimants receiving
32 adjustments under this chapter and the total amount of the
33 reduced assessed values for the base assessment year.

34 Sec. 5. NEW SECTION. 425B.5 Adjustment — maximum tax
35 dollars levied.

1 1. If the earned income qualification specified in
2 subsection 2 is met, the assessed value of the claimant's
3 homestead in the base assessment year shall be adjusted, but
4 not increased, to equal the assessed value, as such assessed
5 value may have been adjusted pursuant to this chapter, in
6 the assessment year preceding the base assessment year. If
7 the amount of property taxes levied against the adjusted
8 assessment exceeds the amount of property taxes levied against
9 the property in the fiscal year for which taxes were first
10 levied against an adjusted assessment under this chapter, the
11 treasurer shall subtract the difference from the amount due.

12 2. A claimant is eligible for an adjustment to the assessed
13 value of the claimant's homestead if the claimant's household
14 earned income is less than eight thousand dollars in the base
15 year.

16 Sec. 6. NEW SECTION. **425B.6 Administration.**

17 The director of revenue shall make available suitable forms
18 for claiming an assessed value adjustment with instructions
19 for claimants. Each assessor and county treasurer shall make
20 available the forms and instructions. The claim shall be in a
21 form as the director may prescribe.

22 Sec. 7. NEW SECTION. **425B.7 Proof of claim.**

23 1. Every claimant shall give the department of revenue, in
24 support of the claim, reasonable proof of:

25 a. Age.

26 b. Changes of homestead.

27 c. Size and nature of the property claimed as the homestead.

28 d. Household earned income.

29 2. The director of revenue may require any additional proof
30 necessary to support a claim.

31 Sec. 8. NEW SECTION. **425B.8 Audit — denial.**

32 If on the audit of a claim for adjustment under this chapter,
33 the director of revenue determines the claim is not allowable,
34 the director shall notify the claimant of the denial and the
35 reasons for it. The director shall not deny a claim after

1 three years from October 31 of the year in which the claim was
2 filed. The director shall give notification to the county
3 assessor of the denial of the claim and the county assessor
4 shall instruct the county treasurer to proceed to collect the
5 tax that would have been levied on the applicable adjusted
6 assessed value in the same manner as other property taxes
7 due and payable are collected, if the property on which the
8 adjustment was granted is still owned by the claimant.

9 Sec. 9. NEW SECTION. **425B.9 Waiver of confidentiality.**

10 1. A claimant shall expressly waive any right to
11 confidentiality relating to all income tax information
12 obtainable through the department of revenue including all
13 information covered by sections 422.20 and 422.72. This waiver
14 shall apply to information available to the county assessor who
15 shall hold the information confidential except that it may be
16 used as evidence to disallow the assessed value adjustment.

17 2. The department of revenue may release information
18 pertaining to a person's eligibility or claim for or receipt of
19 the assessed value adjustment to an employee of the department
20 of inspections and appeals in the employee's official conduct
21 of an audit or investigation.

22 Sec. 10. NEW SECTION. **425B.10 False claim — penalty.**

23 A person who makes a false affidavit for the purpose of
24 obtaining an adjustment in assessed value provided for in
25 this chapter or who knowingly receives the adjustment without
26 being legally entitled to it or makes claim for the adjustment
27 in more than one county in the state without being legally
28 entitled to it is guilty of a fraudulent practice. The claim
29 for adjustment shall be disallowed in full and property tax
30 shall be levied on the disallowed adjustment at the rate that
31 would have been levied but for the adjustment. The director of
32 revenue shall send a notice of disallowance of the claim.

33 Sec. 11. NEW SECTION. **425B.11 Notices.**

34 Section 423.39, subsection 1, shall apply to all notices
35 under this chapter.

1 taxes levied against the adjusted assessment exceeds the amount
2 of property taxes levied against the property in the fiscal
3 year for which taxes were first levied against an adjusted
4 assessment under the bill, the county treasurer is required to
5 subtract such difference from the amount due.

6 The bill provides that a person who makes a false affidavit
7 for the purpose of obtaining an adjustment, knowingly receives
8 the adjustment without being legally entitled to it, or makes
9 claim for the adjustment in more than one county without being
10 legally entitled to it is guilty of a fraudulent practice and
11 is subject to a criminal penalty.

12 The bill applies retroactively to January 1, 2014, for
13 assessment years beginning on or after that date and applies to
14 claims filed on or after January 1, 2015, for the adjustments.